

CANNON BUILDING 861 SILVER LAKE BLVD., SUITE 203 DOVER, DELAWARE 19904-2467

# STATE OF DELAWARE **DEPARTMENT OF STATE**

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**DIVISION OF PROFESSIONAL REGULATION** 

PUBLIC MEETING MINUTES: DELAWARE REAL ESTATE COMMISSION

MEETING DATE AND TIME: Thursday, July 14, 2011 at 9:00 a.m.

PLACE: 861 Silver Lake Boulevard, Dover, Delaware

Conference Room A, second floor of the Cannon Building

MINUTES APPROVED: August 11, 2011

#### **MEMBERS PRESENT**

Andrew Staton, Professional Member, Chairman Christopher J. Whitfield, Professional Member, Vice Chairman Michael Harrington, Sr., Professional Member, Secretary Gilbert Emory, Public Member Denise R. Stokes, Public Member Patricia O'Brien, Public Member Ricky H. Allamong, Professional Member Vincent M. White, Professional Member

# **DIVISION STAFF/ DEPUTY ATTORNEY GENERAL**

Eileen Heeney, Deputy Attorney General Gayle Melvin, Administrative Specialist III Kay Warren, Deputy Director, Division of Professional Regulation Kristen Gibbons, Hearing Officer Jessica Williams, Administrative Specialist II

# **MEMBER ABSENT**

James C. Brannon, Jr., Public Member

#### **ALSO PRESENT**

Tim Riale Crystal Hudson, SCAOR Regina Lundeen, DAR Thomas J. Cooper

Michael McDermott, Esquire David Della Porta Jason Duckworth Vera Sitze, Court Reporter

# **CALL TO ORDER**

Mr. Staton called the meeting to order at 9:01 a.m.

# **REVIEW OF MINUTES**

A motion was made by Mr. Emory, seconded by Ms. Stokes to approve the minutes of the meeting held on June 9, 2011. The motion passed unanimously.

#### **OLD BUSINESS**

**Discussion: Annual Seminar** 

A discussion was held regarding the annual seminar. The Commission reviewed the proposed agenda and made changes. Ms. Melvin will email the revised agenda and the flyer advertising the seminar to members for review.

#### <u>Update on Senate Bill 154</u>

Senate Bill 154 passed on June 30, 2011, but has not yet been signed by the Governor. The Subcommittee to Review Statute Revisions will be holding a meeting on July 27, 2011 at 9:00 a.m. to start drafting proposed rules and regulations.

#### **NEW BUSINESS**

#### Applications for Licensure

A motion was made by Mr. Whitfield, seconded by Ms. O'Brien to ratify the following new salesperson applicants as presented:

Anne Townes, Re/Max Town & Country, West Chester, PA

David Johnson, Coldwell Banker Residential Brokerage, Bethany Beach, DE

Vickie Rohrer, Exit Shore Realty, Salisbury, MD

Marilyn Zhou, Weichert Realtors, Chadds Ford, PA

Christine Gordon, Buyers Choice Real Estate Services, Ocean City, MD

Kim Harris, Prudential Carruthers Realtors, Elkton, MD

Luke Attanasi, Crescent Real Estate, Broomall, PA

Melissa Fox, Weichert Realtors, Wilmington, DE

Shaun Lanouette, Keller Williams, Christiana, DE

Shawn Thomas, Prudential Fox & Roach, Newark, DE

Joseph Bartsch, Prudential Fox & Roach, Newark, DE

Margaret Scarborough, Burns & Ellis Realtors, Dover, DE

Christie Morgan, Crescent Real Estate, Broomall, PA

Erin Martin, Re/Max Realty Group, Rehoboth Beach, DE

Jack Kofoed, Ocean Atlantic Sotheby's International Realty, Rehoboth Beach, DE

Jessica Clifton, ReMax Horizons, Dover, DE

Mary Ann Connell, ReMax of Wilmington, Wilmington, DE Gina Bloom, Harrington ERA Realty, Dover, DE Shaun Gines, Weichert Realtors, Wilmington, DE

The motion passed unanimously.

The application of Joseph Porteli for a resident broker's license was reviewed. A motion was made by Mr. Allamong, seconded by Mr. Emory to approve this application. The motion passed unanimously.

The application of Fred Drewery for a resident salesperson's license was reviewed. A motion was made by Mr. White, seconded by Ms. O'Brien to approve this application. The motion passed unanimously.

The application of Todd Smallwood for a resident salesperson's license was reviewed. A motion was made by Mr. White, seconded by Ms. O'Brien to approve this application. The motion passed unanimously.

The application of Jill Sussman for a resident salesperson's license was reviewed. A motion was made by Mr. White, seconded by Ms. O'Brien to approve this application. The motion passed unanimously.

The application of Sheldon Thomas for a resident salesperson's license was reviewed. A motion was made by Mr. White, seconded by Ms. O'Brien to propose to deny Mr. Thomas' application because he did not meet the requirements of Rule and Regulation 2.2.1. The motion passed unanimously.

#### **New Offices**

The application of NextRE, Inc. for a new office was reviewed. A motion was made by Ms. Stokes, seconded by Ms. O'Brien to approve this office. The motion passed unanimously.

The application of NextRE Referral Real Estate for a new office was reviewed. A motion was made by Mr. Allamong, seconded by Mr. Whitfield to table this application pending receipt of signage and escrow account in the correct business name. The motion passed unanimously.

The application of Atlantic & Pacific Real Estate, LLC for a new office was reviewed. A motion was made by Mr. Harrington, seconded by Mr. Whitfield to approve this office. The motion passed unanimously.

#### **HEARINGS**

#### Thomas J. Cooper – Rule to Show Cause Hearing

Ms. Heeney called the rule to show cause hearing to order at 9:25 a.m. Ms. Heeney asked Mr. Staton if he had received information regarding this matter. Mr. Staton responded that he had received a copy of the letter that Mr. Cooper had sent to Mr. White. Mr. Cooper had also discussed this matter with him at a reception that they both had attended in Dewey Beach. Ms. Heeney asked Mr. Staton if he could be fair and impartial during the hearing. Mr. Staton indicated that he could be. This hearing was held for Thomas J. Cooper to show cause why the Commission should not take disciplinary action against his license for failure to complete the required 15 hours of approved continuing education between the dates of May 1, 2008 through April 30, 2010. Mr. Cooper was present for the hearing, presented testimony and answered questions from Commission members. Verbatim testimony was recorded by the court reporter.

At 9:39 a.m., the Commission went off the record for deliberations. The Commission went back on the record at 9:41 a.m. A motion was made by Mr. Whitfield, seconded by Mr. Harrington that the Commission accepts the certificate from the course "Cracking the Code of Ethics" taken on January 25, 2011 and that no further action be taken. Mr. Cooper will not be able to use this course for the 2012 renewal. The motion passed unanimously. The hearing concluded at 9:42 a.m.

# Sharon Burkett - Rule to Show Cause Hearing

At the request of Ms. Burkett, the rule to show cause hearing was cancelled. It has been rescheduled for the October 13, 2011 meeting.

Richard J. Gessner, Jr.: Regarding the Commission's Proposal to Deny of his Application for a Resident Broker's License

At the request of Mr. Gessner, the hearing was cancelled. It will be rescheduled upon Mr. Gessner's request.

# **NEW BUSINESS CONTINUED**

#### Reinstatement of License

The application of Stephanie Dumas for reinstatement of a non-resident salesperson's license was reviewed. A motion was made by Mr. Allamong, seconded by Mr. Whitfield to approve Ms. Dumas for reinstatement pending passing the state portion of the exam. Ms. Dumas cannot use the continuing education submitted for reinstatement for the 2012 renewal and her record will be flagged for audit for the 2012 renewal. The motion passed unanimously.

The application of Fernando Hurtado for reinstatement of a resident salesperson's license was reviewed. A motion was made by Mr. Allamong, seconded by Ms. O'Brien to approve Mr. Hurtado for reinstatement pending passing the state portion of the exam. The motion passed unanimously.

The application of Cynthia Chubb for reinstatement of a resident salesperson's license was reviewed. A motion was made by Mr. Allamong, seconded by Mr. Whitfield to advise Ms. Chubb that she may reapply once she has completed the requirements for reinstatement of a license. The motion passed unanimously.

The application of Henry Boyce for reinstatement of a resident salesperson's license was reviewed. A motion was made by Mr. Allamong, seconded by Mr. Whitfield to approve Mr. Boyce for reinstatement pending passing the state portion of the exam. Mr. Boyce cannot use the continuing education submitted for reinstatement for the 2012 renewal and his record will be flagged for audit for the 2012 renewal. The motion passed unanimously.

#### **OLD BUSINESS CONTINUED**

Review of Letter from Kathy Sperl-Bell and Harry Wooding Requesting Reconsideration of the Commission's Decision Regarding Linda Chick's Application for Licensure as a Resident Salesperson

The Commission reviewed the letter from Kathy Sperl-Bell and Harry Wooding requesting reconsideration of the decision regarding Linda Chick's application for licensure as a resident salesperson. At the May 20, 2011 Commission meeting, Ms. Chick's application had been approved pending receipt of vertification of completion of 15 hours in a pre-licensing course. Ms. Chick had only

completed a total of 84 pre-licensing course hours. A motion was made by Mr. Allamong, seconded by Mr. Whitfield that the Commission's prior decision stands and that no action be taken on this letter. The motion passed by majority vote. Mr. White recused himself from this discussion.

The Commission took a recess from 9:55 a.m. to 10:03 a.m.

#### **HEARING**

<u>David Della Porta: Regarding the Commission's Proposal to Deny of his Application for a Non-Resident Broker's License</u>

Ms. Heeney called the formal hearing to order at 10:04 a.m. At its meeting on April 14, 2011, the Commission proposed to deny Mr. Della Porta's application for a non-resident broker's license because he did not meet the requirements for licensure set forth in Rule and Regulation 3.2.2 which states that the applicant shall submit to the Commission a list of at least 30 sales or other qualified transactions, showing dates, location, purchaser's name and seller's name. These sales must have been made by the applicant within the previous five years through the general brokerage business and not as a representative of a builder, developer, and/or subdivider. Transactions involving time-shares, leases, or property management are not qualified transactions for purposes of obtaining a real estate broker's license. The Commission reserves the right to waive any of the above requirements, upon evidence that the applicant possesses sufficient experience in the real estate business or demonstrates collateral experience to the Commission.

Present for the hearing was Mr. Della Porta. Mr. Della Porta was sworn in by the court reporter. Verbatim testimony was recorded by the court reporter. Mr. Della Porta presented testimony and answered questions from Commission members.

The Commission went off the record at 10:21 a.m. to hold deliberations. The Commission went back on the record at 10:32 a.m. A motion was made by Mr. Whitfield, seconded by Mr. Harrington to accept the list of sales as submitted, provide a waiver of Rule and Regulation 3.2.2 and to grant Mr. Della Porta a non-resident broker's license. The motion passed by majority vote. Mr. White voted against the motion. The hearing ended at 10:33 a.m.

# **Status of Complaints**

Complaint No. 02-04-10 - Closed

Complaint No. 02-17-10 – Referred to Attorney General's Office

Complaint No. 02-09-11 - Assigned to Mr. White

#### **Education Committee Report**

Mr. Allamong asked about the status of the letter that he had written requesting approval of educational activities for Commission members. Mr. Riale advised that Commission and Committee members already receive one hour of continuing education credit in any area for each meeting they attend; therefore, the Education Committee took no action on the letter.

# Review of Protocol for Negative Course Evaluations

Mr. Riale reported on negative course evaluations received by the Education Committee. Currently, there is no policy or procedure in place to respond in a consistent manner to each individual instructor.

It was discussed defining a negative evaluation and having a rating scale. This will on the agenda for the next meeting.

# Review of Delaware Canons of Ethics for the Real Estate Industry

The Commission reviewed the Delaware Canons of Ethics for the Real Estate Industry. A discussion was held whether a code of ethics is needed, the purpose and if it is enforceable. It was suggested looking at what some other states have for their code of ethics. Mr. White suggested looking at the ones from Maryland and Texas. Ms. Heeney advised that some boards have standards of professional conduct. Mr. White suggested that he and Ms. Heeney look at some options for discussion at the next meeting.

#### Review of Letter from William Ward Regarding His May 26, 2011 Ethics Class

A discussion was held regarding a letter received from William Ward concerning his May 26, 2011 ethics class. The Commission had denied Ward & Taylor's letter of intent to teach this ethics course. Because the notification was dated after the class was held, licensees who participated in the class would be denied credit. Mr. Ward requested reconsideration of this decision based on the circumstances which he outlined in his letter. A motion was made by Mr. Whitfield, seconded by Mr. Harrington that since the Real Estate Commission's May meeting was pushed back and the course would have been approved, that the May 26, 2011 ethics class be approved. The motion passed unanimously.

# Review of Course Outline Template

The Commission reviewed the course outline template. The Commission took no action on this item and requested that the Education Committee present a package of information for review.

The Commission took a recess from 11:37 a.m. to 11:42 a.m.

# Recommendation to Approve and Deny Course Providers, Instructor Applications and Student Requests as Noted

A motion was made by Mr. Allamong, seconded by Mr. White to approve and deny course providers, instructor applications and student requests as noted in the minutes of the July 7, 2011 meeting of the Real Estate Education Committee. The motion passed unanimously.

#### Discussion: Revising the Education Pre-Licensing Process – Mr. Staton

A discussion was held regarding whether 99 hours was sufficient for the pre-license course. It was discussed that the course is currently designed for a person to pass the exam and does not cover daily business practices. A motion was made by Mr. Harrington, seconded by Ms. Stokes to request that the Education Committee review the course and make recommendations to the Commission. The motion passed unanimously.

#### OTHER BUSINESS BEFORE THE COMMISSION (for discussion only)

Mr. Harrington asked about reciprocity with the State of Maryland for continuing education. Currently, there is not reciprocity. However, Mr. Allamong and Mr. White stated that they have received credits for their continuing education for Maryland. It was suggested that Mr. Harrington contact Katherine

Connelly, Executive Director, or Nicholas D'Ambrosia, Chairperson, of the Maryland Commission to discuss this. This will be on the agenda for the next meeting.

# **NEW BUSINESS CONTINUED**

Review of Chief Hearing Officer's Recommendation Regarding Joshua Atwell Case No. 02-51-09

The Commission reviewed and discussed the chief hearing officer's recommendation regarding Joshua Atwell Case No. 02-51-09. Mr. White was the contact person. Ms. Heeney advised that the Commission is bound by the summary of the evidence. A motion was made by Mr. Allamong, seconded by Mr. Harrington that the Commission has reviewed and deliberated on the recommendation of the chief hearing officer and the Commission approves the chief hearing officer's recommendation that the license of Joshua Atwell be revoked in accordance with the order. The motion passed unanimously.

# **PUBLIC COMMENT**

There was no public comment at this meeting.

#### **NEXT SCHEDULED MEETING**

The next meeting will be held on Thursday, August 11, 2011 at 9:00 a.m.

# **ADJOURNMENT**

A motion was made by Mr. Allamong, seconded by Mr. Harrington to adjourn the meeting. The motion passed unanimously. The meeting adjourned at 12:30 p.m.

Respectfully submitted,

Dayle & Melvin

Gayle L. Melvin

Administrative Specialist III